

COMMITTEE ON REAL ESTATE

September 13, 2017

A meeting of the Committee on Real Estate was held this date beginning at 4:24 p.m. at City Hall, First Floor Conference Room, 80 Broad Street.

Notice of this meeting was sent to all local news media.

PRESENT

Chairman White, Councilmember Waring, Councilmember Moody, and Mayor Tecklenburg **Staff:** Frances Cantwell, Chip McQueeney, Rick Jerue, Christopher Morgan, and Bethany Whitaker, Council Secretary

The meeting was opened with a moment of silence provided by Councilmember Waring.

APPROVAL OF MINUTES

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the August 14, 2017 Committee on Real Estate Meeting.

APPROVAL TO USE THE PAVILION LAWN AT MAGNOLIA PLANTATION AND GARDENS FOR MOJA TRIBUTE LUNCHEON ON SATURDAY, OCTOBER 7, 2017. THERE IS NO FEE, BUT THERE IS A \$500 REFUNDABLE DAMAGE DEPOSIT. (3550 ASHLEY RIVER ROAD)

Chairman White asked Councilmember Moody if he wanted to make a MOJA comment. Councilmember Moody said not on this one.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the use of the Pavilion Lawn at Magnolia Plantation and Gardens for MOJA Tribute Luncheon on Saturday, October 7, 2017.

APPROVAL TO USE THE TRINITY METHODIST CHURCH IN THE AMOUNT OF \$300.00 FOR A RENTAL FOR MOJA GOSPEL CONCERT ON SUNDAY, OCTOBER 1, 2017 (273 MEETING STREET)

Councilmember Moody said that he wanted to make a comment. These things kept coming up and he guessed that they needed to ask Scott about this, because last time he spoke up and he was a little wrong. The problem was he saw \$300 to Trinity Methodist Church, and they kept saying they needed these things in West Ashley. He would volunteer John Wesley United Methodist Church for no fee to have this same kind of concert. He didn't know if anyone was looking, but if they didn't look they wouldn't find it. He would vote for this, but he thought they should spend more time looking. Councilmember Waring said he agreed.

Chairman White said it was a good point because there were plenty of venues throughout the City for functions whether it was West Ashley or Daniel Island. The residents he represented downtown be happy to see some of the events moved.

Councilmember Moody said he was familiar with Trinity; there was no parking there. John Wesley had plenty of parking; most of the churches had plenty of parking, and so maybe more people would come. He wasn't complaining about the \$300, but his point was that they needed to look.

Councilmember Waring asked how they would move this beyond conversation. Mayor Tecklenburg said he was writing himself a note to talk to Scott about it. Councilmember Moody said the last time he had raised this question, Scott had come back and said that they were doing them but since they didn't need money, they didn't ask for information. This just showed up because they needed \$300. This may be the only one downtown, but he was just raising the question. Mayor Tecklenburg said that the first matter was Magnolia Plantation which was West Ashley and Councilmember Moody said that was why he wasn't objecting.

Chairman White said that this was not a new conversation. This was something that even when Mayor Riley was in office they constantly had discussions about. Particularly, they made the point several times about Daniel Island. Daniel Island had struggled and so it was more about getting people to the Island to experience it and help support the businesses there. The concept was two-fold: getting them to have more events across the community, and relieving pressure off the Peninsula.

On the motion of Councilmember Waring, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the use of Trinity United Methodist Church in the amount of \$300.00 for a rental for MOJA Gospel Concert on Sunday, October 1, 2017.

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE COMMERCIAL LEASE WHEREBY THE CITY LEASES 113 CALHOUN STREET TO EMANUEL AFRICAN M.E. CHURCH OF CHARLESTON FOR 10 YEARS, UPON TERMINATION OF THE CURRENT LEASE WITH THE INTERNATIONAL AFRICAN AMERICAN MUSEUM AND THE PINCKNEY FOUNDATION. THE PROPERTY OWNER IS THE CITY OF CHARLESTON. (TMS: 458-01-01-086; 113 CALHOUN STREET)

Frances Cantwell said that there were two ten year renewal options. This was the same lease that they currently had with IAAM, who was now leasing the premises. This lease would start when that lease expired, and it was triple-net. Essentially, they pay the City \$100 per year. One thing that was different is that if the City were to decide to sell the property while the lease was in effect they would have a right of first refusal.

Councilmember Moody said that Item 9 on the lease talked about maintenance repairs, 'tenants shall be responsible for all repairs and maintenance required to keep and maintain the premises in as good or better condition as of the date on which the initial term commenced'. He said he had a problem with that and the reason was that he knew when they were having discussions about the church, and they had money come in at the event, he had made a comment about using some of that money and they had said they didn't have any money. They had said they didn't have money for maintenance. So, now when he was reading this, the concern was if they should have some kind of reserve in there. If they deferred the maintenance, even though they were renting for a nominal amount, they would be encouraging something they might not know about. He asked if they should require some sort of reserve.

Ms. Cantwell said that the City did have the right of entry and inspection, and if they saw that the premises was in decline, they could call them on the lease and say they had an obligation to keep it up, and if they didn't they could take the appropriate action. Councilmember Moody said he knew how this worked with churches, and they wouldn't do that. If they were going to do this, they needed to be careful because the church could become a mission of the City, rather than tenant. Ms. Cantwell said that the law gave them the same remedy against a church as anyone else, but the question was if they would use the remedy. Councilmember Moody said that was his point and that the City wouldn't take on the Church.

Chairman White said that oftentimes in the language there was a stipulation that if there was maintenance to be completed and it wasn't by the tenant, the landlord could then charge additional rent to cover those expenses and he asked if this lease had that stipulation. Ms. Cantwell said there was a stipulation. They were responsible for doing that. Chairman White said that it offered the remedy but didn't stipulate if the funds weren't there how that process would work. He asked if they recommended a reserve fund to cover it. Councilmember Moody said he was thinking if they had some kind of reserve that might help them do the repairs. The problem was that if they didn't, they wouldn't throw the church out of the building. He didn't see that happening.

Councilmember Waring said that he wanted to move for deferral because he thought they needed a little more work and elbow grease in this. Whoever the sitting Mayor was that came down on the church, they would be coming down on the tragedy. They hadn't even kicked out the Sustainability Institute when they had their problems; they made the financing work for them even when they had a reverter clause. They weren't a church. His point was there was a lot more work to go into this. When he saw the two ten year terms he thought of the park property when they had done two 25 year terms. He wished they didn't have to have a place to archive the history, but the need for that archive would be there 10 and 20 years from now. That was a tragedy that was generational.

Councilmember Moody said this property was being used by IAAM and asked if these weren't things that ought to be in the Museum. Councilmember Waring said that the Museum was going to be a lot smaller than people thought. They were squeezing the space already, and at the end of the day people would still go to the church and put flowers there. Councilmember Moody said he meant the 'display' of the things. When you went to the Charleston Museum, most of their exhibits were not on the floor, they were rotated. Councilmember Waring said that Museum wouldn't be that kind of Museum.

Mayor Tecklenburg said they had time on this, and he concurred that there were a few things they could do to tighten this up. Also, he knew Reverend Manning had planned to be at the meeting, but he could address some of the points. The part about them keeping the premises in as good or better condition, that may be a couple of years in the future, and so he would like for this to be a little more specific as to an inventory being made, so they didn't get hit 20-30 years from now. Ms. Cantwell said that they could do that on their own before the City even gave it to them. If something wasn't working they would want the City to fix it before they took it.

Councilmember Moody said that there had been a property through his church and they wanted to rent it out to somebody. He had said that this wasn't a good idea because if that person quit paying rent, someone in the church would have to evict them. Sure enough, after about 6 months, the person had quit paying rent. They had said they couldn't kick her out. He had said they needed to turn it over to missions; it wasn't a trustee job. They were entered into a lease, and as long as they treated it as a lease, they needed to do that. You can't treat it as both a lease and a mission. It made him nervous, but he would accept the amendment to defer.

Chairman White said that one of the things that had concerned him was the money they may receive for admissions or anything like that, but that the City did have taxpayers dollars in the property, and if they were going to put it out there and the church was going to be making revenue from it, it seemed to him that some level of compensation should go back to the City. If some revenue was made, a portion of that should be earmarked for insuring maintenance.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to defer the request for approval of the Mayor to execute the Commercial Lease whereby the City leases 113 Calhoun Street to Emanuel African M.E. Church of Charleston for 10 years, upon termination of the Current Lease with the International African American Museum and the Pinckney Foundation.

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE RIGHT OF WAY EASEMENT WITH THE COMMISSIONERS OF PUBLIC WORKS FOR 225 SQUARE FEET IN AREA FOR THE PLACEMENT OF A SUB-SURFACE WATER METER VAULT. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (TMS: 460-00-00-013; 180 LOCKWOOD BOULEVARD)

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the Mayor to execute the Right of Way Easement with the Commissioners of Public Works for 225 square feet in area for the placement of a sub-surface water meter vault.

CONSIDER THE FOLLOWING ANNEXATIONS:

- i. 2178 Coker Avenue (TMS #: 343-01-00-046) 0.48 acre, James Island (District 11). The property is owned by Nicholas Witte and Katherine Riddile.
- ii. 1944 Woodland Road (TMS #: 355-10-00-064) 0.24 acre, West Ashley (District 2). The property is owned by Heather Hays and David Kauffman.
- iii. 781 Saint Andrews Boulevard (TMS #: 418-10-00-080) 0.36 acre, West Ashley (District 9). The property is owned by Kevin Shealy.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the above annexations.

Having no further business, the Committee on Real Estate adjourned at 4:45 p.m.

Bethany Whitaker
Council Secretary